

HOUSE BILL No. 1716

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-4.1.

Synopsis: Inheritance tax deductions. Provides that an individual receiving property subject to the inheritance tax may deduct from the total fair market value of the property interests received by the individual under one or more taxable transfers an amount equal to that part of the property subject to the inheritance tax that the individual subsequently contributes to a charitable organization.

Effective: July 1, 2001.

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January 17, 2001, read first time and referred to Committee on Ways and Means.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1716

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-4.1-3-16 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2001]: **Sec. 16. (a) This section applies to property received from**
4 **the estate of a person who dies after June 30, 2001.**

5 **(b) For purposes of this section, the term "property subject to**
6 **the inheritance tax" means property transferred by a decedent or**
7 **the decedent's estate under a taxable transfer.**

8 **(c) For purposes of this section, "charitable organization"**
9 **means an organization to which a bequest, devise, or transfer of**
10 **property would be exempt from the inheritance tax under section**
11 **1 of this chapter if the bequest, devise, or transfer were made by a**
12 **decedent or the decedent's estate.**

13 **(d) An individual receiving property subject to the inheritance**
14 **tax may deduct from the total fair market value of the property**
15 **interests received by the individual under one (1) or more taxable**
16 **transfers an amount equal to that part of the property subject to**
17 **the inheritance tax that the individual subsequently contributes to**



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a charitable organization.

(e) To claim the deduction allowed under this section, the individual must:

(1) submit proof of the contribution to the personal representative of the resident decedent's estate for attachment to the inheritance tax return filed with the appropriate probate court under IC 6-4.1-4-1; or

(2) attach proof of the contribution to the inheritance tax return filed by the individual with the appropriate probate court under IC 6-4.1-4-1.

(f) An individual may not claim a deduction from the inheritance tax under this section if the individual claims a deduction for the contribution on the individual's federal income tax return for the taxable year.

SECTION 2. IC 6-4.1-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. (a) For purposes of this section, the net taxable value of property interests transferred by a decedent to a particular transferee equals the remainder of:

(1) the total fair market value of the property interests transferred by the decedent to the transferee under a taxable transfer or transfers; minus

(2) the total amount of exemptions and deductions provided under sections 9.1 through 15 of IC 6-4.1-3 IC 6-4.1-3-9.1 through IC 6-4.1-3-16 with respect to the property interests so transferred.

(b) The inheritance tax imposed on a decedent's transfer of property interests to a particular Class A transferee is prescribed in the following table:

NET TAXABLE VALUE OF PROPERTY INTERESTS TRANSFERRED		INHERITANCE TAX
\$25,000 or less		1% of net taxable value
over \$25,000 but not over \$50,000		\$250, plus 2% of net taxable value over \$25,000
over \$50,000 but not over \$200,000		\$750, plus 3% of net taxable value over \$50,000
over \$200,000 but not over \$300,000		\$5,250, plus 4% of net taxable value over \$200,000
over \$300,000 but not over \$500,000		\$9,250, plus 5% of net taxable



1		value over \$300,000
2	over \$500,000 but not	
3	over \$700,000	\$19,250, plus 6% of net taxable
4		value over \$500,000
5	over \$700,000 but not	
6	over \$1,000,000	\$31,250, plus 7% of net taxable
7		value over \$700,000
8	over \$1,000,000 but not	
9	over \$1,500,000	\$52,250, plus 8% of net taxable
10		value over \$1,000,000
11	over \$1,500,000	\$92,250, plus 10% of net
12		taxable value over
13		\$1,500,000

(c) The inheritance tax imposed on a decedent's transfer of property interests to a particular Class B transferee is prescribed in the following table:

17	NET TAXABLE VALUE OF	
18	PROPERTY INTERESTS	
19	TRANSFERRED	INHERITANCE TAX
20	\$100,000 or less	7% of net taxable value
21	over \$100,000 but not	
22	over \$500,000	\$7,000, plus 10% of net
23		taxable value over \$100,000
24	over \$500,000 but not	
25	over \$1,000,000	\$47,000, plus 12% of net
26		taxable value over \$500,000
27	over \$1,000,000	\$107,000, plus 15% of net
28		taxable value over \$1,000,000

(d) The inheritance tax imposed on a decedent's transfer of property interests to a particular Class C transferee is prescribed in the following table:

32	NET TAXABLE VALUE OF	
33	PROPERTY INTERESTS	
34	TRANSFERRED	INHERITANCE TAX
35	\$100,000 or less	10% of net taxable value
36	over \$100,000 but not	
37	over \$1,000,000	\$10,000, plus 15% of net
38		taxable value over
39		\$100,000
40	over \$1,000,000	\$145,000, plus 20% of net
41		taxable value over
42		\$1,000,000

